

SERFF Tracking Number:	MGCA-128008311	State:	District of Columbia
Filing Company:	Mid-West National Life Insurance Company of Tennessee	State Tracking Number:	
Company Tracking Number:	DC MIDWEST AG SITUS 201202 DC MIDWEST 15995		
TOI:	H15G Group Health - Hospital/Surgical/Medical Expense	Sub-TOI:	H15G.001 Any Size Group
Product Name:	DC MidWest AG Situs		
Project Name/Number:	/		

Rate Information

Rate data applies to filing.

Filing Method:

Rate Change Type: %

Overall Percentage of Last Rate Revision: %

Effective Date of Last Rate Revision:

Filing Method of Last Filing:

Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Mid-West National Life Insurance Company of Tennessee	Increase	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%
Product Type:	HMO	PPO	EPO	POS	HSA	HDHP	FFS	Other
Covered Lives:								1
Policy Holders:								0

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TOI:	H15G Group Health - Hospital/Surgical/Medical Expense	Sub-TOI:	H15G.001 Any Size Group
Product Name:	DC MidWest AG Situs		
Project Name/Number:	/		

Rate Review Details

COMPANY:

Company Name:	Mid-West National Life Insurance Company of Tennessee
HHS Issuer Id:	91412
Product Names:	N/A-This is a situs informational filing and there is 0 inforce in DC.
Trend Factors:	

FORMS:

New Policy Forms:

Affected Forms:	n/a
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Other Affected Forms:

REQUESTED RATE CHANGE

INFORMATION:

Change Period:	Other
Member Months:	0
Benefit Change:	Increase
Percent Change Requested:	Min: 0.0 Max: 0.0 Avg: 0.0

PRIOR RATE:

Total Earned Premium:	0.00
Total Incurred Claims:	0.00
Annual \$:	Min: 0.00 Max: 0.00 Avg: 0.00

REQUESTED RATE:

Projected Earned Premium:	0.00
Projected Incurred Claims:	0.00
Annual \$:	Min: 0.00 Max: 0.00 Avg: 0.00

SERFF Tracking Number: MGCA-128008311 State: District of Columbia
Filing Company: Mid-West National Life Insurance Company of Tennessee State Tracking Number:
Company Tracking Number: DC MIDWEST AG SITUS 201202 DC MIDWEST 15995
TOI: H15G Group Health - Hospital/Surgical/Medical Sub-TOI: H15G.001 Any Size Group
Expense
Product Name: DC MidWest AG Situs
Project Name/Number: /

Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: Actuarial Justification Comments: Attachment: DC Midwest AG Situs Act Memo.pdf		
Bypassed - Item: Rate Summary Worksheet Bypass Reason: N/A Comments:	Item Status:	Status Date:
Bypassed - Item: Consumer Disclosure Form Bypass Reason: N/A Comments:	Item Status:	Status Date:
Satisfied - Item: Supporting Documents Comments: Attachments: DC Midwest AG Situs Cover Letter.pdf DC Midwest AG Situs NAIC Transmittal.pdf Rate Increase Development Exhibit.pdf	Item Status:	Status Date:

Mid-West National Life Insurance Company of Tennessee

Administrative Offices: 9151 Boulevard 26, North Richland Hills, TX 76180

Actuarial Memorandum for Health Plan Rate Filing Association Group Health Plans (Non Small Employer)

Purpose

To inform of rate change on health benefit plan forms.

Scope and Reason

We are filing rate changes for your information to our Grandfathered and Non-Grandfathered association group health benefit plans. These plans are individually underwritten for residents in the following states: AL, AZ, FL, GA, ID, LA, MO, NC, PA, TX, VA, WI and WY. The rate change will be effective for Grandfathered members on 2/1/2012; or 3/1/2012 in the states that requires 45 to 60 days member notice, and for Non-Grandfathered members on 5/1/2012; or 6/1/2012 in the states that requires 45 to 60 days member notice. Mid-West is not issuing any new health benefit plans under the affected forms at this time. Advance notification of this rate increase will be provided subject to the number of days required by the state.

We are requesting the following rate increases:

State	GF or Non-GF	Product Type	Rate Increase
AL	GF	Non-Scheduled Plans	9.99%
AL	GF	Riders	2.76%
AL	GF	Accumulated Covered Expense Rider	20.00%
AZ	GF	Non-Scheduled Plans	4.93%
AZ	GF	Riders	9.99%
AZ	GF	Accumulated Covered Expense Rider	20.00%
FL	GF	Non-Scheduled Plans	9.99%
FL	GF	Accumulated Covered Expense Rider	20.00%
GA	GF	Accumulated Covered Expense Rider	20.00%
ID	GF	Accumulated Covered Expense Rider	20.00%
LA	GF	Non-Scheduled Plans	9.99%
LA	GF	Riders	9.99%
MO	GF	Non-Scheduled Plans	9.99%
MO	GF	Riders	9.67%
MO	GF	Accumulated Covered Expense Rider	20.00%
NC	GF	Accumulated Covered Expense Rider	20.00%
PA	GF	Non-Scheduled Plans	1.65%
PA	GF	Riders	9.99%
PA	GF	Accumulated Covered Expense Rider	20.00%
TX	GF	Non-Scheduled Plans	9.34%
VA	GF	Non-Scheduled Plans	9.99%
VA	GF	Accumulated Covered Expense Rider	20.00%
WI	GF	Riders	2.23%
WI	GF	Accumulated Covered Expense Rider	20.00%
WY	GF	Non-Scheduled Plans	9.99%
WY	GF	Accumulated Covered Expense Rider	20.00%

State	GF or Non-GF	Product Type	Rate Increase
AL	Non-GF	Non-Scheduled Plans	9.99%
AL	Non-GF	Riders	2.76%
AZ	Non-GF	Non-Scheduled Plans	4.93%
AZ	Non-GF	Riders	9.99%
AZ	Non-GF	Accumulated Covered Expense Rider	20.00%
FL	Non-GF	Non-Scheduled Plans	9.99%
FL	Non-GF	Accumulated Covered Expense Rider	20.00%
ID	Non-GF	Accumulated Covered Expense Rider	20.00%
LA	Non-GF	Riders	9.99%
MO	Non-GF	Non-Scheduled Plans	9.99%
MO	Non-GF	Riders	9.67%
MO	Non-GF	Accumulated Covered Expense Rider	20.00%
PA	Non-GF	Non-Scheduled Plans	1.65%
PA	Non-GF	Riders	9.99%
TX	Non-GF	Non-Scheduled Plans	9.34%
VA	Non-GF	Non-Scheduled Plans	9.99%
WI	Non-GF	Riders	2.23%
WI	Non-GF	Accumulated Covered Expense Rider	20.00%

The product types are defined as following: (1) Basic hospital, surgical, medical expense incurred plans that have numerous internal benefit limits and catastrophic expense rider which attach to these plans ("Scheduled Plans"), (2) Preferred provider/catastrophic expense plans ("Non-Scheduled Plans"), (3) Riders that attach to the Scheduled and/or the Non-Scheduled plans and provide for additional benefits with the exception of the accumulated covered expense rider ("Riders"), and (4) the accumulated covered expense rider ("ACE"). Please note that the ACE rider is an optional benefit available on many of the Scheduled Plans and is a small component of the total premium, thus the average Scheduled certificate holder with the ACE rider will see an approximate impact of 4-5% to the total certificate premium due to the ACE rider increase.

The rate action for the Scheduled Plans, Non-Scheduled Plans and Riders is based on each state's experience taking credibility into consideration while the ACE rider is based on nationwide experience due to its low claim frequency resulting in significant credibility concerns. Please refer to the Rate Increase Development Exhibit for more details.

A rate change amount is determined after credibility adjustment and based on our target loss ratio of 70%.

To the best of our knowledge, none of the rate increases in this filing exceed the 10% threshold as defined by HHS which would require a filing to HHS thus no such filing has been made.

Actuarial Certification

I certify, based on the laws as we know them today, that this rate filing is in compliance with the applicable laws and regulations of this state. I further certify the rates are not excessive, inadequate, or unfairly discriminatory.

Certified by:



Date:

1/20/2012

Xiaolu Coffey, FSA, MAAA
Director & Actuary
Mid-West National Life Insurance Company of Tennessee

Phone: (800) 729-2302

Fax: (817) 225-8274

Email: NRHAct-Comp@HealthMarkets.com

January 20, 2012

Government of District of Columbia Department of Insurance
Securities and Banking
Actuarial Analysis Division
810 First Street NE, Suite 701
Washington, D.C. 20002

RE: Mid-West National Life Insurance Company of Tennessee (Mid-West)
Company NAIC # 264-66087
Company FEIN # 62-0724538
Rate Filing for Association Group Plans (Non Small Employer)

Dear Sir or Madam:

Mid-West National Life Insurance Company of Tennessee respectfully submits rates for your information for our Grandfathered and Non-Grandfathered association group health benefit plans. These plans are individually underwritten for residents in the following states: AL, AZ, FL, GA, ID, LA, MO, NC, PA, TX, VA, WI, and WY. When qualified, the applicant is issued a Certificate of Coverage under an association group master policy that is issued in the District of Columbia. At this time, Mid-West has ceased all new sales under the filed association group health benefit plans. However, at this time, Mid-West does intend to continue renewing and administering these inforce blocks of business.

The rate action for the Scheduled Plans, Non-Scheduled Plans and Riders is based on each state's experience taking credibility into consideration while the ACE rider is based on nationwide experience due to its low claim frequency resulting in significant credibility concerns. Please refer to the Rate Increase Development Exhibit for more details.

To the best of our knowledge, none of the rate increases in this filing exceed the 10% threshold as defined by HHS which would require a filing to HHS thus no such filing has been made.

Thank you for your review of this rate filing. If you have any questions or need additional information, please feel free to contact me at any time.

Sincerely,



Sommay Khounlo
Supervisor, Rate Filings
Phone: (800) 729-2302 x3372
Fax: (817)255-8274
Email: NRHAct-Comp@HealthMarkets.com

Effective March 1, 2007


Life, Accident & Health, Annuity, Credit Transmittal Document

1.	Prepared for the State of	District of Columbia					
2.	Department Use Only						
	State Tracking ID						
3.	Insurer Name & Address	Domicile	Insurer License Type	NAIC Group #	NAIC #	FEIN #	State #
Mid-West National Life Insurance Company of Tennessee 9151 Boulevard 26, N Richland Hills, TX 76180		Texas		264	66087	62-0724538	
4.	Contact Name & Address	Telephone #	Fax #		E-mail Address		
Chanél Orallo 9151 Boulevard 26, N Richland Hills, TX 76180		(800) 729-2302 x6427	(817)255-8274		NRHAct-Comp@HealthMarkets.com		
5.	Requested Filing Mode	<input type="checkbox"/> Review & Approval <input type="checkbox"/> File & Use <input checked="" type="checkbox"/> Informational <input type="checkbox"/> Combination (please explain): _____ <input type="checkbox"/> Other (please explain): _____					
6.	Company Tracking Number	DC MidWest AG Situs 201202 DC MidWest 15995					
7.	<input checked="" type="checkbox"/> New Submission	<input type="checkbox"/> Resubmission Previous File # _____					
8.	Market	<input type="checkbox"/> Individual <input type="checkbox"/> Franchise					
		<input type="checkbox"/> Small <input type="checkbox"/> Large <input checked="" type="checkbox"/> Small and Large <input type="checkbox"/> Group <input type="checkbox"/> Employer <input checked="" type="checkbox"/> Association <input type="checkbox"/> Blanket <input type="checkbox"/> Discretionary <input type="checkbox"/> Trust <input type="checkbox"/> Other: _____					
9.	Type of Insurance	H15G - Group Health - Hospital/Surgical/Medical Expense					
10.	Product Coding Matrix Filing Code	H15G.001 - Any Size Group					
11.	Submitted Documents	<input type="checkbox"/> Forms <input type="checkbox"/> Policy <input type="checkbox"/> Outline of Coverage <input type="checkbox"/> Certificate <input type="checkbox"/> Application/Enrollment <input type="checkbox"/> Rider/Endorsement <input type="checkbox"/> Advertising <input type="checkbox"/> Schedule of Benefits <input type="checkbox"/> Other: _____					
		<input checked="" type="checkbox"/> Rates <input type="checkbox"/> New Rate <input checked="" type="checkbox"/> Revised Rate					
		<input type="checkbox"/> FILING OTHER THAN FORM OR RATE: Please explain: _____					
		SUPPORTING DOCUMENTATION <input type="checkbox"/> Articles of Incorporation <input type="checkbox"/> Third Party Authorization <input type="checkbox"/> Association Bylaws <input type="checkbox"/> Trust Agreements <input type="checkbox"/> Statement of Variability <input type="checkbox"/> Certifications <input checked="" type="checkbox"/> Actuarial Memorandum <input type="checkbox"/> Other: _____					
LH TD-1, Page 1 of 2							

Effective March 1, 2007

12.	Filing Submission Date	1/6/2012
13.	Filing Fee (If required)	Amount _____ Retaliatory <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Check Date _____ Check Number _____
14.	Date of Domiciliary Approval	

15.	Filing Description:
	<p>We are filing rate changes for your information to our Grandfathered and Non-Grandfathered association group health benefit plans. The rate change will be effective for Grandfathered members on 2/1/2012; or 3/1/2012 in the states that requires 45 to 60 days member notice, and for Non-Grandfathered members on 5/1/2012; or 6/1/2012 in the states that requires 45 to 60 days member notice.</p>

16.	Certification (If required)
<p>I HEREBY CERTIFY that I have reviewed the applicable filing requirements for this filing, and complies with all applicable statutory and regulatory provisions for the state of District of Columbia.</p> <p>Print Name <u>Xiaolu Coffey, FSA, MAAA</u> Title <u>Director and Actuary</u></p> <p>Signature <u></u> Date <u>1/6/2012</u></p>	

Effective March 1, 2007

17.	Form Filing Attachment
This filing transmittal is part of company tracking number	DC MidWest AG Situs 201202 DC MidWest 15995
This filing corresponds to rate filing company tracking number	

	Document Name Description	Form Number		Replaced Form Number Previous State Filing Number
01			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
02			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
03			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
04			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
05			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
06			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
07			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
08			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
09			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
10			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	

LH FFA-1

Effective March 1, 2007

18.		Rate Filing Attachment		
This filing transmittal is part of company tracking number		DC MidWest AG Situs 201202 DC MidWest 15995		
This filing corresponds to form filing company tracking number				
Overall percentage rate indication (when applicable)				
Overall percentage rate impact for this filing				
	Document Name Description	Affected Form Numbers		Previous State Filing Number
01		DC MidWest AG Situs	<input type="checkbox"/> New <input checked="" type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other ____%	
02			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other ____%	
03			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other ____%	
04			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other ____%	
05			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other ____%	
06			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other ____%	
07			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other ____%	
08			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other ____%	
09			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other ____%	
10			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other ____%	

LH RFA-1

Development of Rate Adjustment Based on Trend, Experience and MLR

Alabama - MID-WEST

		Calculation	NON SCHEDULED PLANS	RIDERS	ACCUMULATED COVERED EXPENSE RIDER
Step 1. Experience Determination 201006 - 201105	(1)	Experience Members	55	508	40,884
	(2)	Earned Premiums	\$91,755	\$363,359	\$12,464,540
	(3)	Incurred Claims	\$204,878	\$239,241	\$9,888,762
	(4)	Loss Ratio = (3) / (2)	223.3%	65.8%	79.3%
	(5)	Remaining Rate Increases Pending	1.205	1.006	1.239
	(6)	Adjusted Premium = (2) x (5)	\$110,556	\$365,405	\$15,444,713
	(7)	Loss Ratio after Adjusted Premium = (3) / (6)	185.3%	65.5%	64.0%
Step 2. Credibility Adjustment	(8)	Credibility = Based on (1)	25.0%	75.0%	100.0%
	(9)	Nationwide Experience Loss Ratio Generated from Step 1. on a nationwide base.	69.3%	56.9%	79.3%
	(9)a.	Nationwide Premium RI Pending	1.112	1.027	1.239
	(9)b.	Nationwide Loss Ratio with Premium Adjustment = (9) / (9)a.	62.3%	55.4%	64.0%
	(10)	Loss Ratio after Adjusting for Credibility and Premium Adjustment = (7) x (8) + (9)b. x [1 - (8)]	93.0%	62.9%	64.0%
	(10)a.	Final Loss Ratio as the Base for Projection (10) subject to a variation % cap of +/- 25%	139.0%	62.9%	64.0%
Step 3. Application of Trend	(11)	Annual Trend Weighted between Grandfathered and Non-Grandfathered plans	13.9%	5.0%	20.0%
	(12)	Experience Period	201006 ~ 201105	201006 ~ 201105	201006 ~ 201105
	(13)	Rating Period	201201 ~ 201212	201201 ~ 201212	201201 ~ 201212
	(14)	Trending Months Midpoint of (12) to Midpoint of (13)	19.0	19.0	19.0
	(15)	Total Trend (Midpoint to Midpoint From Experience Period to Rating Period) = [1 + (11)] ^ [(14) / 12]	22.9%	8.1%	33.5%
Step 4. Application of Projected PPACA Benefit Cost for Pre-2011 Portion in Experience	(16)	Average Non Preventive Care PPACA Additional Benefit Claim Cost ** All benefit related items in this step are based on premium distribution between Grandfathered and Non-Grandfathered members.	4.0%	4.5%	7.1%
	(17)	Average Preventive Care PPACA Additional Benefit Claim Cost Per Member Per Year	\$6.5	\$0.0	\$0.0
Step 5. Projected Loss Ratio	(18)	Projected Loss Ratio for 2011: Adjusted Loss Ratio trended with additional PPACA benefit costs Adjustment Projected Claim = [((10)a. * (6)) x [1 + (15)] x [1 + (16)] + (17) x (1)]	178.0%	71.1%	91.5%
Step 6. Target Loss Ratio	(19)	Target Loss Ratio	70.0%	70.0%	70.0%
Step 7. Determination of Experience/Trend Rate Adjustment	(20)	Calculated Rate Adjustment = (18) / (19) - 1	154.28%	1.61%	30.78%
	(21)	Final Proposed Rate Increase ***	9.99%	2.76%	20.00%

* Accumulated Covered Expense Rider (ACE) rate increase development is based on nationwide experience

** This is a weighted number by 2010 portion and 2011 portion of the premium. We consider that the data in 2011 has already included the PPACA benefit changes effective of 1/1/2011 and therefore does not need any explicit load in the claim cost.

*** The final proposed rate increase may vary slightly from the calculated rate adjustment due to the fact that this exhibit is a blended summary of model output that is more detailed.

Development of Rate Adjustment Based on Trend, Experience and MLR

Arizona - MID-WEST

		Calculation	NON SCHEDULED PLANS	RIDERS	ACCUMULATED COVERED EXPENSE RIDER
Step 1. Experience Determination 201006 - 201105	(1)	Experience Members	261	1,386	40,884
	(2)	Earned Premiums	\$647,678	\$1,204,313	\$12,464,540
	(3)	Incurred Claims	\$314,618	\$858,865	\$9,888,762
	(4)	Loss Ratio = (3) / (2)	48.6%	71.3%	79.3%
	(5)	Remaining Rate Increases Pending	1.023	1.005	1.239
	(6)	Adjusted Premium = (2) x (5)	\$662,270	\$1,210,405	\$15,444,713
	(7)	Loss Ratio after Adjusted Premium = (3) / (6)	47.5%	71.0%	64.0%
Step 2. Credibility Adjustment	(8)	Credibility = Based on (1)	50.0%	100.0%	100.0%
	(9)	Nationwide Experience Loss Ratio Generated from Step 1. on a nationwide base.	69.3%	56.9%	79.3%
	(9)a.	Nationwide Premium RI Pending	1.112	1.027	1.239
	(9)b.	Nationwide Loss Ratio with Premium Adjustment = (9) / (9)a.	62.3%	55.4%	64.0%
	(10)	Loss Ratio after Adjusting for Credibility and Premium Adjustment = (7) x (8) + (9)b. x [1 - (8)]	54.9%	71.0%	64.0%
	(10)a.	Final Loss Ratio as the Base for Projection (10) subject to a variation % cap of +/- 25%	54.9%	71.0%	64.0%
Step 3. Application of Trend	(11)	Annual Trend Weighted between Grandfathered and Non-Grandfathered plans	13.9%	5.0%	20.0%
	(12)	Experience Period	201006 ~ 201105	201006 ~ 201105	201006 ~ 201105
	(13)	Rating Period	201201 ~ 201212	201201 ~ 201212	201201 ~ 201212
	(14)	Trending Months Midpoint of (12) to Midpoint of (13)	19.0	19.0	19.0
	(15)	Total Trend (Midpoint to Midpoint From Experience Period to Rating Period) = [1 + (11)] ^ [(14) / 12]	22.9%	8.1%	33.5%
Step 4. Application of Projected PPACA Benefit Cost for Pre-2011 Portion in Experience	(16)	Average Non Preventive Care PPACA Additional Benefit Claim Cost ** All benefit related items in this step are based on premium distribution between Grandfathered and Non-Grandfathered members.	4.1%	4.2%	7.1%
	(17)	Average Preventive Care PPACA Additional Benefit Claim Cost Per Member Per Year	\$8.7	\$0.0	\$0.0
Step 5. Projected Loss Ratio	(18)	Projected Loss Ratio for 2011: Adjusted Loss Ratio trended with additional PPACA benefit costs Adjustment Projected Claim = [((10)a. * (6)) x [1 + (15)] x [1 + (16)] + (17) x (1)]	70.6%	79.9%	91.5%
Step 6. Target Loss Ratio	(19)	Target Loss Ratio	70.0%	70.0%	70.0%
Step 7. Determination of Experience/Trend Rate Adjustment	(20)	Calculated Rate Adjustment = (18) / (19) - 1	0.81%	14.14%	30.78%
	(21)	Final Proposed Rate Increase ***	4.93%	9.99%	20.00%

* Accumulated Covered Expense Rider (ACE) rate increase development is based on nationwide experience

** This is a weighted number by 2010 portion and 2011 portion of the premium. We consider that the data in 2011 has already included the PPACA benefit changes effective of 1/1/2011 and therefore does not need any explicit load in the claim cost.

*** The final proposed rate increase may vary slightly from the calculated rate adjustment due to the fact that this exhibit is a blended summary of model output that is more detailed.

Development of Rate Adjustment Based on Trend, Experience and MLR

Florida - MID-WEST

		Calculation	NON SCHEDULED PLANS	ACCUMULATED COVERED EXPENSE RIDER
Step 1. Experience Determination 201006 - 201105	(1)	Experience Members	607	40,884
	(2)	Earned Premiums	\$1,556,034	\$12,464,540
	(3)	Incurred Claims	\$1,213,287	\$9,888,762
	(4)	Loss Ratio = (3) / (2)	78.0%	79.3%
	(5)	Remaining Rate Increases Pending	1.224	1.239
	(6)	Adjusted Premium = (2) x (5)	\$1,904,018	\$15,444,713
	(7)	Loss Ratio after Adjusted Premium = (3) / (6)	63.7%	64.0%
Step 2. Credibility Adjustment	(8)	Credibility = Based on (1)	75.0%	100.0%
	(9)	Nationwide Experience Loss Ratio Generated from Step 1. on a nationwide base.	69.3%	79.3%
	(9)a.	Nationwide Premium RI Pending	1.112	1.239
	(9)b.	Nationwide Loss Ratio with Premium Adjustment = (9) / (9)a.	62.3%	64.0%
	(10)	Loss Ratio after Adjusting for Credibility and Premium Adjustment = (7) x (8) + (9)b. x [1 - (8)]	63.4%	64.0%
	(10)a.	Final Loss Ratio as the Base for Projection (10) subject to a variation % cap of +/- 25%	63.4%	64.0%
Step 3. Application of Trend	(11)	Annual Trend Weighted between Grandfathered and Non-Grandfathered plans	13.9%	20.0%
	(12)	Experience Period	201006 ~ 201105	201006 ~ 201105
	(13)	Rating Period	201201 ~ 201212	201201 ~ 201212
	(14)	Trending Months Midpoint of (12) to Midpoint of (13)	19.0	19.0
	(15)	Total Trend (Midpoint to Midpoint From Experience Period to Rating Period) = [1 + (11)] ^ [(14) / 12]	22.9%	33.5%
Step 4. Application of Projected PPACA Benefit Cost for Pre-2011 Portion in Experience	(16)	Average Non Preventive Care PPACA Additional Benefit Claim Cost ** All benefit related items in this step are based on premium distribution between Grandfathered and Non-Grandfathered members.	4.1%	7.1%
	(17)	Average Preventive Care PPACA Additional Benefit Claim Cost Per Member Per Year	\$11.6	\$0.0
Step 5. Projected Loss Ratio	(18)	Projected Loss Ratio for 2011: Adjusted Loss Ratio trended with additional PPACA benefit costs Adjustment Projected Claim = [((10)a. * (6)) x [1 + (15)] x [1 + (16)] + (17) x (1)]	81.4%	91.5%
Step 6. Target Loss Ratio	(19)	Target Loss Ratio	70.0%	70.0%
Step 7. Determination of Experience/Trend Rate Adjustment	(20)	Calculated Rate Adjustment = (18) / (19) - 1	16.34%	30.78%
	(21)	Final Proposed Rate Increase ***	9.99%	20.00%

* Accumulated Covered Expense Rider (ACE) rate increase development is based on nationwide experience

** This is a weighted number by 2010 portion and 2011 portion of the premium. We consider that the data in 2011 has already included the PPACA benefit changes effective of 1/1/2011 and therefore does not need any explicit load in the claim cost.

*** The final proposed rate increase may vary slightly from the calculated rate adjustment due to the fact that this exhibit is a blended summary of model output that is more detailed.

Development of Rate Adjustment Based on Trend, Experience and MLR

Georgia - MID-WEST

Calculation				ACCUMULATED COVERED EXPENSE RIDER
Step 1. Experience Determination 201006 - 201105	(1)	Experience Members		40,884
	(2)	Earned Premiums		\$12,464,540
	(3)	Incurred Claims		\$9,888,762
	(4)	Loss Ratio	= (3) / (2)	79.3%
	(5)	Remaining Rate Increases Pending		1.239
	(6)	Adjusted Premium	= (2) x (5)	\$15,444,713
	(7)	Loss Ratio after Adjusted Premium	= (3) / (6)	64.0%
Step 2. Credibility Adjustment	(8)	Credibility	= Based on (1)	100.0%
	(9)	Nationwide Experience Loss Ratio	Generated from Step 1. on a nationwide base.	79.3%
	(9)a.	Nationwide Premium RI Pending		1.239
	(9)b.	Nationwide Loss Ratio with Premium Adjustment	= (9) / (9)a.	64.0%
	(10)	Loss Ratio after Adjusting for Credibility and Premium Adjustment	= (7) x (8) + (9)b. x [1 - (8)]	64.0%
	(10)a.	Final Loss Ratio as the Base for Projection	(10) subject to a variation % cap of +/- 25%	64.0%
Step 3. Application of Trend	(11)	Annual Trend	Weighted between Grandfathered and Non-Grandfathered plans	20.0%
	(12)	Experience Period		201006 ~ 201105
	(13)	Rating Period		201201 ~ 201212
	(14)	Trending Months	Midpoint of (12) to Midpoint of (13)	19.0
	(15)	Total Trend (Midpoint to Midpoint From Experience Period to Rating Period)	= [1 + (11)] ^ [(14) / 12]	33.5%
Step 4. Application of Projected PPACA Benefit Cost for Pre-2011 Portion in Experience	(16)	Average Non Preventive Care PPACA Additional Benefit Claim Cost **	All benefit related items in this step are based on premium distribution between Grandfathered and Non-Grandfathered members.	7.1%
	(17)	Average Preventive Care PPACA Additional Benefit Claim Cost Per Member Per Year		\$0.0
Step 5. Projected Loss Ratio	(18)	Projected Loss Ratio for 2011: Adjusted Loss Ratio trended with additional PPACA benefit costs Adjustment	Projected Claim = (((10)a. * (6)) x [1 + (15)] x [1 + (16)] + (17) x (1))	91.5%
Step 6. Target Loss Ratio	(19)	Target Loss Ratio		70.0%
Step 7. Determination of Experience/Trend Rate Adjustment	(20)	Calculated Rate Adjustment	= (18) / (19) - 1	30.78%
	(21)	Final Proposed Rate Increase ***		20.00%

* Accumulated Covered Expense Rider (ACE) rate increase development is based on nationwide experience

** This is a weighted number by 2010 portion and 2011 portion of the premium. We consider that the data in 2011 has already included the PPACA benefit changes effective of 1/1/2011 and therefore does not need any explicit load in the claim cost.

*** The final proposed rate increase may vary slightly from the calculated rate adjustment due to the fact that this exhibit is a blended summary of model output that is more detailed.

Development of Rate Adjustment Based on Trend, Experience and MLR

Idaho - MID-WEST

Calculation				ACCUMULATED COVERED EXPENSE RIDER
Step 1. Experience Determination 201006 - 201105	(1)	Experience Members		40,884
	(2)	Earned Premiums		\$12,464,540
	(3)	Incurred Claims		\$9,888,762
	(4)	Loss Ratio	= (3) / (2)	79.3%
	(5)	Remaining Rate Increases Pending		1.239
	(6)	Adjusted Premium	= (2) x (5)	\$15,444,713
	(7)	Loss Ratio after Adjusted Premium	= (3) / (6)	64.0%
Step 2. Credibility Adjustment	(8)	Credibility	= Based on (1)	100.0%
	(9)	Nationwide Experience Loss Ratio	Generated from Step 1. on a nationwide base.	79.3%
	(9)a.	Nationwide Premium RI Pending		1.239
	(9)b.	Nationwide Loss Ratio with Premium Adjustment	= (9) / (9)a.	64.0%
	(10)	Loss Ratio after Adjusting for Credibility and Premium Adjustment	= (7) x (8) + (9)b. x [1 - (8)]	64.0%
	(10)a.	Final Loss Ratio as the Base for Projection	(10) subject to a variation % cap of +/- 25%	64.0%
Step 3. Application of Trend	(11)	Annual Trend	Weighted between Grandfathered and Non-Grandfathered plans	20.0%
	(12)	Experience Period		201006 ~ 201105
	(13)	Rating Period		201201 ~ 201212
	(14)	Trending Months	Midpoint of (12) to Midpoint of (13)	19.0
	(15)	Total Trend (Midpoint to Midpoint From Experience Period to Rating Period)	= [1 + (11)] ^ [(14) / 12]	33.5%
Step 4. Application of Projected PPACA Benefit Cost for Pre-2011 Portion in Experience	(16)	Average Non Preventive Care PPACA Additional Benefit Claim Cost **	All benefit related items in this step are based on premium distribution between Grandfathered and Non-Grandfathered members.	7.1%
	(17)	Average Preventive Care PPACA Additional Benefit Claim Cost Per Member Per Year		\$0.0
Step 5. Projected Loss Ratio	(18)	Projected Loss Ratio for 2011: Adjusted Loss Ratio trended with additional PPACA benefit costs Adjustment	Projected Claim = (((10)a. * (6)) x [1 + (15)] x [1 + (16)] + (17) x (1))	91.5%
Step 6. Target Loss Ratio	(19)	Target Loss Ratio		70.0%
Step 7. Determination of Experience/Trend Rate Adjustment	(20)	Calculated Rate Adjustment	= (18) / (19) - 1	30.78%
	(21)	Final Proposed Rate Increase ***		20.00%

* Accumulated Covered Expense Rider (ACE) rate increase development is based on nationwide experience

** This is a weighted number by 2010 portion and 2011 portion of the premium. We consider that the data in 2011 has already included the PPACA benefit changes effective of 1/1/2011 and therefore does not need any explicit load in the claim cost.

*** The final proposed rate increase may vary slightly from the calculated rate adjustment due to the fact that this exhibit is a blended summary of model output that is more detailed.

Development of Rate Adjustment Based on Trend, Experience and MLR

Louisiana - MID-WEST

		Calculation	NON SCHEDULED PLANS	RIDERS
Step 1. Experience Determination 201006 - 201105	(1)	Experience Members	166	1,719
	(2)	Earned Premiums	\$370,795	\$1,479,591
	(3)	Incurred Claims	\$335,549	\$1,031,269
	(4)	Loss Ratio = (3) / (2)	90.5%	69.7%
	(5)	Remaining Rate Increases Pending	1.221	1.003
	(6)	Adjusted Premium = (2) x (5)	\$452,762	\$1,484,682
	(7)	Loss Ratio after Adjusted Premium = (3) / (6)	74.1%	69.5%
Step 2. Credibility Adjustment	(8)	Credibility = Based on (1)	50.0%	100.0%
	(9)	Nationwide Experience Loss Ratio Generated from Step 1. on a nationwide base.	69.3%	56.9%
	(9)a.	Nationwide Premium RI Pending	1.112	1.027
	(9)b.	Nationwide Loss Ratio with Premium Adjustment = (9) / (9)a.	62.3%	55.4%
	(10)	Loss Ratio after Adjusting for Credibility and Premium Adjustment = (7) x (8) + (9)b. x [1 - (8)]	68.2%	69.5%
	(10)a.	Final Loss Ratio as the Base for Projection (10) subject to a variation % cap of +/- 25%	68.2%	69.5%
Step 3. Application of Trend	(11)	Annual Trend Weighted between Grandfathered and Non-Grandfathered plans	14.0%	5.0%
	(12)	Experience Period	201006 ~ 201105	201006 ~ 201105
	(13)	Rating Period	201201 ~ 201212	201201 ~ 201212
	(14)	Trending Months Midpoint of (12) to Midpoint of (13)	19.0	19.0
	(15)	Total Trend (Midpoint to Midpoint From Experience Period to Rating Period) = [1 + (11)] ^ [(14) / 12]	23.1%	8.1%
Step 4. Application of Projected PPACA Benefit Cost for Pre-2011 Portion in Experience	(16)	Average Non Preventive Care PPACA Additional Benefit Claim Cost * All benefit related items in this step are based on premium distribution between Grandfathered and Non-Grandfathered members.	3.8%	4.0%
	(17)	Average Preventive Care PPACA Additional Benefit Claim Cost Per Member Per Year	\$0.0	\$0.0
Step 5. Projected Loss Ratio	(18)	Projected Loss Ratio for 2011: Adjusted Loss Ratio trended with additional PPACA benefit costs Adjustment Projected Claim = [((10)a. * (6)) x [1 + (15)] x [1 + (16)] + (17) x (1)]	87.1%	78.1%
Step 6. Target Loss Ratio	(19)	Target Loss Ratio	70.0%	70.0%
Step 7. Determination of Experience/Trend Rate Adjustment	(20)	Calculated Rate Adjustment = (18) / (19) - 1	24.42%	11.56%
	(21)	Final Proposed Rate Increase **	9.99%	9.99%

* This is a weighted number by 2010 portion and 2011 portion of the premium. We consider that the data in 2011 has already included the PPACA benefit changes effective of 1/1/2011 and therefore does not need any explicit load in the claim cost.

** The final proposed rate increase may vary slightly from the calculated rate adjustment due to the fact that this exhibit is a blended summary of model output that is more detailed.

Development of Rate Adjustment Based on Trend, Experience and MLR

Missouri - MID-WEST

		Calculation	NON SCHEDULED PLANS	RIDERS	ACCUMULATED COVERED EXPENSE RIDER
Step 1. Experience Determination	(1)	Experience Members	222	757	40,884
201006 - 201105	(2)	Earned Premiums	\$429,514	\$645,945	\$12,464,540
	(3)	Incurred Claims	\$485,534	\$477,168	\$9,888,762
	(4)	Loss Ratio = (3) / (2)	113.0%	73.9%	79.3%
	(5)	Remaining Rate Increases Pending	1.020	1.005	1.239
	(6)	Adjusted Premium = (2) x (5)	\$437,958	\$649,265	\$15,444,713
	(7)	Loss Ratio after Adjusted Premium = (3) / (6)	110.9%	73.5%	64.0%
Step 2. Credibility Adjustment	(8)	Credibility = Based on (1)	50.0%	75.0%	100.0%
	(9)	Nationwide Experience Loss Ratio Generated from Step 1. on a nationwide base.	69.3%	56.9%	79.3%
	(9)a.	Nationwide Premium RI Pending	1.112	1.027	1.239
	(9)b.	Nationwide Loss Ratio with Premium Adjustment = (9) / (9)a.	62.3%	55.4%	64.0%
	(10)	Loss Ratio after Adjusting for Credibility and Premium Adjustment = (7) x (8) + (9)b. x [1 - (8)]	86.6%	69.0%	64.0%
	(10)a.	Final Loss Ratio as the Base for Projection (10) subject to a variation % cap of +/- 25%	86.6%	69.0%	64.0%
Step 3. Application of Trend	(11)	Annual Trend Weighted between Grandfathered and Non-Grandfathered plans	13.9%	5.0%	20.0%
	(12)	Experience Period	201006 ~ 201105	201006 ~ 201105	201006 ~ 201105
	(13)	Rating Period	201201 ~ 201212	201201 ~ 201212	201201 ~ 201212
	(14)	Trending Months Midpoint of (12) to Midpoint of (13)	19.0	19.0	19.0
	(15)	Total Trend (Midpoint to Midpoint From Experience Period to Rating Period) = [1 + (11)] ^ [(14) / 12]	22.9%	8.1%	33.5%
Step 4. Application of Projected PPACA Benefit Cost for Pre-2011 Portion in Experience	(16)	Average Non Preventive Care PPACA Additional Benefit Claim Cost ** All benefit related items in this step are based on premium distribution between Grandfathered and Non-Grandfathered members.	4.4%	3.7%	7.1%
	(17)	Average Preventive Care PPACA Additional Benefit Claim Cost Per Member Per Year	\$8.5	\$0.0	\$0.0
Step 5. Projected Loss Ratio	(18)	Projected Loss Ratio for 2011: Adjusted Loss Ratio trended with additional PPACA benefit costs Adjustment Projected Claim = [((10)a. * (6)) x [1 + (15)] x [1 + (16)] + (17) x (1)]	111.4%	77.3%	91.5%
Step 6. Target Loss Ratio	(19)	Target Loss Ratio	70.0%	70.0%	70.0%
Step 7. Determination of Experience/Trend Rate Adjustment	(20)	Calculated Rate Adjustment = (18) / (19) - 1	59.20%	10.40%	30.78%
	(21)	Final Proposed Rate Increase ***	9.99%	9.67%	20.00%

* Accumulated Covered Expense Rider (ACE) rate increase development is based on nationwide experience

** This is a weighted number by 2010 portion and 2011 portion of the premium. We consider that the data in 2011 has already included the PPACA benefit changes effective of 1/1/2011 and therefore does not need any explicit load in the claim cost.

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Development of Rate Adjustment Based on Trend, Experience and MLR

North Carolina - MID-WEST

Calculation				ACCUMULATED COVERED EXPENSE RIDER
Step 1. Experience Determination 201006 - 201105	(1)	Experience Members		40,884
	(2)	Earned Premiums		\$12,464,540
	(3)	Incurred Claims		\$9,888,762
	(4)	Loss Ratio	= (3) / (2)	79.3%
	(5)	Remaining Rate Increases Pending		1.239
	(6)	Adjusted Premium	= (2) x (5)	\$15,444,713
	(7)	Loss Ratio after Adjusted Premium	= (3) / (6)	64.0%
Step 2. Credibility Adjustment	(8)	Credibility	= Based on (1)	100.0%
	(9)	Nationwide Experience Loss Ratio	Generated from Step 1. on a nationwide base.	79.3%
	(9)a.	Nationwide Premium RI Pending		1.239
	(9)b.	Nationwide Loss Ratio with Premium Adjustment	= (9) / (9)a.	64.0%
	(10)	Loss Ratio after Adjusting for Credibility and Premium Adjustment	=(7) x (8) + (9)b. x [1 - (8)]	64.0%
	(10)a.	Final Loss Ratio as the Base for Projection	(10) subject to a variation % cap of +/- 25%	64.0%
Step 3. Application of Trend	(11)	Annual Trend	Weighted between Grandfathered and Non-Grandfathered plans	20.0%
	(12)	Experience Period		201006 ~ 201105
	(13)	Rating Period		201201 ~ 201212
	(14)	Trending Months	Midpoint of (12) to Midpoint of (13)	19.0
	(15)	Total Trend (Midpoint to Midpoint From Experience Period to Rating Period)	= [1 + (11)] ^ [(14) / 12]	33.5%
Step 4. Application of Projected PPACA Benefit Cost for Pre-2011 Portion in Experience	(16)	Average Non Preventive Care PPACA Additional Benefit Claim Cost **	All benefit related items in this step are based on premium distribution between Grandfathered and Non-Grandfathered members.	7.1%
	(17)	Average Preventive Care PPACA Additional Benefit Claim Cost Per Member Per Year		\$0.0
Step 5. Projected Loss Ratio	(18)	Projected Loss Ratio for 2011: Adjusted Loss Ratio trended with additional PPACA benefit costs Adjustment	Projected Claim = (((10)a.*(6)) x [1 + (15)] x [1 + (16)] + (17) x (1))	91.5%
Step 6. Target Loss Ratio	(19)	Target Loss Ratio		70.0%
Step 7. Determination of Experience/Trend Rate Adjustment	(20)	Calculated Rate Adjustment	= (18) / (19) - 1	30.78%
	(21)	Final Proposed Rate Increase ***		20.00%

* Accumulated Covered Expense Rider (ACE) rate increase development is based on nationwide experience

** This is a weighted number by 2010 portion and 2011 portion of the premium. We consider that the data in 2011 has already included the PPACA benefit changes effective of 1/1/2011 and therefore does not need any explicit load in the claim cost.

*** The final proposed rate increase may vary slightly from the calculated rate adjustment due to the fact that this exhibit is a blended summary of model output that is more detailed.

Development of Rate Adjustment Based on Trend, Experience and MLR

Pennsylvania - MID-WEST

		Calculation	NON SCHEDULED PLANS	RIDERS	ACCUMULATED COVERED EXPENSE RIDER
Step 1. Experience Determination 201006 - 201105	(1)	Experience Members	397	1,384	40,884
	(2)	Earned Premiums	\$683,614	\$943,323	\$12,464,540
	(3)	Incurred Claims	\$360,983	\$824,601	\$9,888,762
	(4)	Loss Ratio = (3) / (2)	52.8%	87.4%	79.3%
	(5)	Remaining Rate Increases Pending	1.009	1.013	1.239
	(6)	Adjusted Premium = (2) x (5)	\$689,868	\$955,649	\$15,444,713
	(7)	Loss Ratio after Adjusted Premium = (3) / (6)	52.3%	86.3%	64.0%
Step 2. Credibility Adjustment	(8)	Credibility = Based on (1)	50.0%	100.0%	100.0%
	(9)	Nationwide Experience Loss Ratio Generated from Step 1. on a nationwide base.	69.3%	56.9%	79.3%
	(9)a.	Nationwide Premium RI Pending	1.112	1.027	1.239
	(9)b.	Nationwide Loss Ratio with Premium Adjustment = (9) / (9)a.	62.3%	55.4%	64.0%
	(10)	Loss Ratio after Adjusting for Credibility and Premium Adjustment = (7) x (8) + (9)b. x [1 - (8)]	57.3%	86.3%	64.0%
	(10)a.	Final Loss Ratio as the Base for Projection (10) subject to a variation % cap of +/- 25%	57.3%	86.3%	64.0%
Step 3. Application of Trend	(11)	Annual Trend Weighted between Grandfathered and Non-Grandfathered plans	13.9%	5.1%	20.0%
	(12)	Experience Period	201006 ~ 201105	201006 ~ 201105	201006 ~ 201105
	(13)	Rating Period	201201 ~ 201212	201201 ~ 201212	201201 ~ 201212
	(14)	Trending Months Midpoint of (12) to Midpoint of (13)	19.0	19.0	19.0
	(15)	Total Trend (Midpoint to Midpoint From Experience Period to Rating Period) = [1 + (11)] ^ [(14) / 12]	22.8%	8.2%	33.5%
Step 4. Application of Projected PPACA Benefit Cost for Pre-2011 Portion in Experience	(16)	Average Non Preventive Care PPACA Additional Benefit Claim Cost ** All benefit related items in this step are based on premium distribution between Grandfathered and Non-Grandfathered members.	4.3%	5.2%	7.1%
	(17)	Average Preventive Care PPACA Additional Benefit Claim Cost Per Member Per Year	\$9.1	\$0.0	\$0.0
Step 5. Projected Loss Ratio	(18)	Projected Loss Ratio for 2011: Adjusted Loss Ratio trended with additional PPACA benefit costs Adjustment Projected Claim = [((10)a. * (6)) x [1 + (15)] x [1 + (16)] + (17) x (1)]	73.9%	98.2%	91.5%
Step 6. Target Loss Ratio	(19)	Target Loss Ratio	70.0%	70.0%	70.0%
Step 7. Determination of Experience/Trend Rate Adjustment	(20)	Calculated Rate Adjustment = (18) / (19) - 1	5.61%	40.32%	30.78%
	(21)	Final Proposed Rate Increase ***	1.65%	9.99%	20.00%

* Accumulated Covered Expense Rider (ACE) rate increase development is based on nationwide experience

** This is a weighted number by 2010 portion and 2011 portion of the premium. We consider that the data in 2011 has already included the PPACA benefit changes effective of 1/1/2011 and therefore does not need any explicit load in the claim cost.

*** The final proposed rate increase may vary slightly from the calculated rate adjustment due to the fact that this exhibit is a blended summary of model output that is more detailed.

Development of Rate Adjustment Based on Trend, Experience and MLR

Texas - MID-WEST

		Calculation	NON SCHEDULED PLANS
Step 1. Experience Determination 201006 - 201105	(1)	Experience Members	603
	(2)	Earned Premiums	\$1,614,143
	(3)	Incurred Claims	\$1,059,305
	(4)	Loss Ratio = (3) / (2)	65.6%
	(5)	Remaining Rate Increases Pending	1.112
	(6)	Adjusted Premium = (2) x (5)	\$1,794,288
	(7)	Loss Ratio after Adjusted Premium = (3) / (6)	59.0%
Step 2. Credibility Adjustment	(8)	Credibility = Based on (1)	75.0%
	(9)	Nationwide Experience Loss Ratio Generated from Step 1. on a nationwide base.	69.3%
	(9)a.	Nationwide Premium RI Pending	1.112
	(9)b.	Nationwide Loss Ratio with Premium Adjustment = (9) / (9)a.	62.3%
	(10)	Loss Ratio after Adjusting for Credibility and Premium Adjustment = (7) x (8) + (9)b. x [1 - (8)]	59.9%
	(10)a.	Final Loss Ratio as the Base for Projection (10) subject to a variation % cap of +/- 25%	59.9%
Step 3. Application of Trend	(11)	Annual Trend Weighted between Grandfathered and Non-Grandfathered plans	13.9%
	(12)	Experience Period	201006 ~ 201105
	(13)	Rating Period	201201 ~ 201212
	(14)	Trending Months Midpoint of (12) to Midpoint of (13)	19.0
	(15)	Total Trend (Midpoint to Midpoint From Experience Period to Rating Period) = [1 + (11)] ^ [(14) / 12]	23.0%
Step 4. Application of Projected PPACA Benefit Cost for Pre-2011 Portion in Experience	(16)	Average Non Preventive Care PPACA Additional Benefit Claim Cost * All benefit related items in this step are based on premium distribution between Grandfathered and Non-Grandfathered members.	4.0%
	(17)	Average Preventive Care PPACA Additional Benefit Claim Cost Per Member Per Year	\$6.6
Step 5. Projected Loss Ratio	(18)	Projected Loss Ratio for 2011: Adjusted Loss Ratio trended with additional PPACA benefit costs Adjustment Projected Claim = [((10)a. * (6)) x [1 + (15)] x [1 + (16)] + (17) x (1)]	76.7%
Step 6. Target Loss Ratio	(19)	Target Loss Ratio	70.0%
Step 7. Determination of Experience/Trend Rate Adjustment	(20)	Calculated Rate Adjustment = (18) / (19) - 1	9.63%
	(21)	Final Proposed Rate Increase **	9.34%

* This is a weighted number by 2010 portion and 2011 portion of the premium. We consider that the data in 2011 has already included the PPACA benefit changes effective of 1/1/2011 and therefore does not need any explicit load in the claim cost.

** The final proposed rate increase may vary slightly from the calculated rate adjustment due to the fact that this exhibit is a blended summary of model output that is more detailed.

Development of Rate Adjustment Based on Trend, Experience and MLR

Virginia - MID-WEST

		Calculation	NON SCHEDULED PLANS	ACCUMULATED COVERED EXPENSE RIDER
Step 1. Experience Determination 201006 - 201105	(1)	Experience Members	260	40,884
	(2)	Earned Premiums	\$507,924	\$12,464,540
	(3)	Incurred Claims	\$505,507	\$9,888,762
	(4)	Loss Ratio = (3) / (2)	99.5%	79.3%
	(5)	Remaining Rate Increases Pending	1.008	1.239
	(6)	Adjusted Premium = (2) x (5)	\$512,141	\$15,444,713
	(7)	Loss Ratio after Adjusted Premium = (3) / (6)	98.7%	64.0%
Step 2. Credibility Adjustment	(8)	Credibility = Based on (1)	50.0%	100.0%
	(9)	Nationwide Experience Loss Ratio Generated from Step 1. on a nationwide base.	69.3%	79.3%
	(9)a.	Nationwide Premium RI Pending	1.112	1.239
	(9)b.	Nationwide Loss Ratio with Premium Adjustment = (9) / (9)a.	62.3%	64.0%
	(10)	Loss Ratio after Adjusting for Credibility and Premium Adjustment = (7) x (8) + (9)b. x [1 - (8)]	80.5%	64.0%
	(10)a.	Final Loss Ratio as the Base for Projection (10) subject to a variation % cap of +/- 25%	80.5%	64.0%
Step 3. Application of Trend	(11)	Annual Trend Weighted between Grandfathered and Non-Grandfathered plans	14.0%	20.0%
	(12)	Experience Period	201006 ~ 201105	201006 ~ 201105
	(13)	Rating Period	201201 ~ 201212	201201 ~ 201212
	(14)	Trending Months Midpoint of (12) to Midpoint of (13)	19.0	19.0
	(15)	Total Trend (Midpoint to Midpoint From Experience Period to Rating Period) = [1 + (11)] ^ [(14) / 12]	23.0%	33.5%
Step 4. Application of Projected PPACA Benefit Cost for Pre-2011 Portion in Experience	(16)	Average Non Preventive Care PPACA Additional Benefit Claim Cost ** All benefit related items in this step are based on premium distribution between Grandfathered and Non-Grandfathered members.	3.9%	7.1%
	(17)	Average Preventive Care PPACA Additional Benefit Claim Cost Per Member Per Year	\$3.5	\$0.0
Step 5. Projected Loss Ratio	(18)	Projected Loss Ratio for 2011: Adjusted Loss Ratio trended with additional PPACA benefit costs Adjustment Projected Claim = [((10)a. * (6)) x [1 + (15)] x [1 + (16)] + (17) x (1)]	103.0%	91.5%
Step 6. Target Loss Ratio	(19)	Target Loss Ratio	70.0%	70.0%
Step 7. Determination of Experience/Trend Rate Adjustment	(20)	Calculated Rate Adjustment = (18) / (19) - 1	47.21%	30.78%
	(21)	Final Proposed Rate Increase ***	9.99%	20.00%

* Accumulated Covered Expense Rider (ACE) rate increase development is based on nationwide experience

** This is a weighted number by 2010 portion and 2011 portion of the premium. We consider that the data in 2011 has already included the PPACA benefit changes effective of 1/1/2011 and therefore does not need any explicit load in the claim cost.

*** The final proposed rate increase may vary slightly from the calculated rate adjustment due to the fact that this exhibit is a blended summary of model output that is more detailed.

Development of Rate Adjustment Based on Trend, Experience and MLR

Wisconsin - MID-WEST

		Calculation	RIDERS	ACCUMULATED COVERED EXPENSE RIDER
Step 1. Experience Determination 201006 - 201105	(1)	Experience Members	1,317	40,884
	(2)	Earned Premiums	\$1,291,536	\$12,464,540
	(3)	Incurred Claims	\$879,429	\$9,888,762
	(4)	Loss Ratio = (3) / (2)	68.1%	79.3%
	(5)	Remaining Rate Increases Pending	1.070	1.239
	(6)	Adjusted Premium = (2) x (5)	\$1,382,447	\$15,444,713
	(7)	Loss Ratio after Adjusted Premium = (3) / (6)	63.6%	64.0%
Step 2. Credibility Adjustment	(8)	Credibility = Based on (1)	100.0%	100.0%
	(9)	Nationwide Experience Loss Ratio Generated from Step 1. on a nationwide base.	56.9%	79.3%
	(9)a.	Nationwide Premium RI Pending	1.027	1.239
	(9)b.	Nationwide Loss Ratio with Premium Adjustment = (9) / (9)a.	55.4%	64.0%
	(10)	Loss Ratio after Adjusting for Credibility and Premium Adjustment = (7) x (8) + (9)b. x [1 - (8)]	63.6%	64.0%
	(10)a.	Final Loss Ratio as the Base for Projection (10) subject to a variation % cap of +/- 25%	63.6%	64.0%
Step 3. Application of Trend	(11)	Annual Trend Weighted between Grandfathered and Non-Grandfathered plans	5.0%	20.0%
	(12)	Experience Period	201006 ~ 201105	201006 ~ 201105
	(13)	Rating Period	201201 ~ 201212	201201 ~ 201212
	(14)	Trending Months Midpoint of (12) to Midpoint of (13)	19.0	19.0
	(15)	Total Trend (Midpoint to Midpoint From Experience Period to Rating Period) = [1 + (11)] ^ [(14) / 12]	8.1%	33.5%
Step 4. Application of Projected PPACA Benefit Cost for Pre-2011 Portion in Experience	(16)	Average Non Preventive Care PPACA Additional Benefit Claim Cost ** All benefit related items in this step are based on premium distribution between Grandfathered and Non-Grandfathered members.	4.0%	7.1%
	(17)	Average Preventive Care PPACA Additional Benefit Claim Cost Per Member Per Year	\$0.0	\$0.0
Step 5. Projected Loss Ratio	(18)	Projected Loss Ratio for 2011: Adjusted Loss Ratio trended with additional PPACA benefit costs Adjustment Projected Claim = (((10)a. * (6)) x [1 + (15)] x [1 + (16)] + (17) x (1))	71.5%	91.5%
Step 6. Target Loss Ratio	(19)	Target Loss Ratio	70.0%	70.0%
Step 7. Determination of Experience/Trend Rate Adjustment	(20)	Calculated Rate Adjustment = (18) / (19) - 1	2.13%	30.78%
	(21)	Final Proposed Rate Increase ***	2.23%	20.00%

* Accumulated Covered Expense Rider (ACE) rate increase development is based on nationwide experience

** This is a weighted number by 2010 portion and 2011 portion of the premium. We consider that the data in 2011 has already included the PPACA benefit changes effective of 1/1/2011 and therefore does not need any explicit load in the claim cost.

*** The final proposed rate increase may vary slightly from the calculated rate adjustment due to the fact that this exhibit is a blended summary of model output that is more detailed.

Development of Rate Adjustment Based on Trend, Experience and MLR

Wyoming - MID-WEST

		Calculation	NON SCHEDULED PLANS	ACCUMULATED COVERED EXPENSE RIDER
Step 1. Experience Determination 201006 - 201105	(1)	Experience Members	6	40,884
	(2)	Earned Premiums	\$21,542	\$12,464,540
	(3)	Incurred Claims	\$231,415	\$9,888,762
	(4)	Loss Ratio = (3) / (2)	1074.3%	79.3%
	(5)	Remaining Rate Increases Pending	1.000	1.239
	(6)	Adjusted Premium = (2) x (5)	\$21,542	\$15,444,713
	(7)	Loss Ratio after Adjusted Premium = (3) / (6)	1074.3%	64.0%
Step 2. Credibility Adjustment	(8)	Credibility = Based on (1)	0.0%	100.0%
	(9)	Nationwide Experience Loss Ratio Generated from Step 1. on a nationwide base.	69.3%	79.3%
	(9)a.	Nationwide Premium RI Pending	1.112	1.239
	(9)b.	Nationwide Loss Ratio with Premium Adjustment = (9) / (9)a.	62.3%	64.0%
	(10)	Loss Ratio after Adjusting for Credibility and Premium Adjustment = (7) x (8) + (9)b. x [1 - (8)]	62.3%	64.0%
	(10)a.	Final Loss Ratio as the Base for Projection (10) subject to a variation % cap of +/- 25%	805.7%	64.0%
Step 3. Application of Trend	(11)	Annual Trend Weighted between Grandfathered and Non-Grandfathered plans	14.0%	20.0%
	(12)	Experience Period	201006 ~ 201105	201006 ~ 201105
	(13)	Rating Period	201201 ~ 201212	201201 ~ 201212
	(14)	Trending Months Midpoint of (12) to Midpoint of (13)	19.0	19.0
	(15)	Total Trend (Midpoint to Midpoint From Experience Period to Rating Period) = [1 + (11)] ^ [(14) / 12]	23.1%	33.5%
Step 4. Application of Projected PPACA Benefit Cost for Pre-2011 Portion in Experience	(16)	Average Non Preventive Care PPACA Additional Benefit Claim Cost ** All benefit related items in this step are based on premium distribution between Grandfathered and Non-Grandfathered members.	3.6%	7.1%
	(17)	Average Preventive Care PPACA Additional Benefit Claim Cost Per Member Per Year	\$0.0	\$0.0
Step 5. Projected Loss Ratio	(18)	Projected Loss Ratio for 2011: Adjusted Loss Ratio trended with additional PPACA benefit costs Adjustment Projected Claim = [((10)a. * (6)) x [1 + (15)] x [1 + (16)] + (17) x (1)]	1027.4%	91.5%
Step 6. Target Loss Ratio	(19)	Target Loss Ratio	70.0%	70.0%
Step 7. Determination of Experience/Trend Rate Adjustment	(20)	Calculated Rate Adjustment = (18) / (19) - 1	1367.68%	30.78%
	(21)	Final Proposed Rate Increase ***	9.99%	20.00%

* Accumulated Covered Expense Rider (ACE) rate increase development is based on nationwide experience

** This is a weighted number by 2010 portion and 2011 portion of the premium. We consider that the data in 2011 has already included the PPACA benefit changes effective of 1/1/2011 and therefore does not need any explicit load in the claim cost.

*** The final proposed rate increase may vary slightly from the calculated rate adjustment due to the fact that this exhibit is a blended summary of model output that is more detailed.